



**ORGANISATIONAL AND SENIOR
MANAGERS PERFORMANCE
MANAGEMENT POLICY**

2026/2027

DRAFT

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GLOSSARY OF TERMS

Term	Definition
Assessment:	The measurement of data by means of a scoring process to assess if targets were reached. The term assessment is used within this policy as synonymous to review and appraisal.
Baseline:	Estimate current level or measure of a situation.
Core Competency Requirements (CCR):	Refer to behaviors and skills that are considered core to achieving the key performance areas and ultimately the strategic objectives and key performance areas of the Municipality. It is the culmination of a specific unique set of skills that provide a structured guide enabling the identification, evaluation and development of behaviors in individual employees. These include the values of the organization.
Dispute:	A disagreement that an employee has elected to resolve in terms of applicable legislation and collective agreements (i.e. the 'formal' dispute resolution procedure).
Employee:	A person employed by a Municipality. This includes all Senior managers defined in Section 57(1) (a) (b) of the Municipal Systems Act, No 32 of 2000, employees in the full-time employment and fixed term contract employees in the employment of the City of Polokwane.
Employee Performance Management:	The human resource management process concerned with ensuring the best performance of individuals in an organization to ensure organizational performance. It involves an understanding of what needs to be achieved and then managing and developing people in a way that enables the achievement of Municipal objectives.
Individual Performance Scorecard:	A Performance Plan/ Scorecard reflects the performance expectations of an incumbent for a specific year and sets out the outcomes and outputs against which performance is expected together with the standard of delivery, reflected as targets.
Key Performance Area (KPA):	A broad area of performance for which the incumbent will be held responsible. It is one of the elements to be reflected in the Performance Scorecard.
Key Performance	Can essentially be described as the performance dimension that is considered key in measuring performance. KPIs refer to programmes,

Term	Definition
Indicator (KPI):	projects or tasks to be undertaken by an employee within a specific time period. It should be defined in respect of each KPA and should be seen as measurable outputs.
Logic Model	A logic model is a tool used to evaluate the effectiveness of a programme/ project. Logic models are usually a graphical depiction of the logical relationships between the resources, activities, outputs and outcomes of a programme/project.
Monitoring and Evaluation	Refers to processes of monitoring a program and evaluating the impact it has on the target population in order to assess the success and gaps in program implementation.
Organizational Performance Management:	Organizational performance management entails the development of priorities aligned to the Municipal strategy inclusive of the development of strategic goals (ultimate outcomes) strategic objectives (intermediate outcomes), strategies/interventions (direct outcomes), projects (outputs), activities/processes (ward plans), performance indicators, baselines and targets. It aims to define and direct performance at an organizational level towards achieving annual targets.
Performance Input:	Resource consumed in business activities and processes, such as money, labour, time, equipment, etc. - measures economy and efficiency.
Performance Management System:	According to S38 of Act 32 of 2000 a Performance Management System must be established by a Municipality to commensurate with its resources, best suited to its circumstances and is in line with the priorities, objectives (outcomes), indicators and targets contained in its Integrated Development Plan (IDP). Its design should direct the behavior of Municipal employees towards achieving the organization's mandate as stipulated in its IDP.
Performance Output:	A description of the level of activity or effort that will be provided over a period of time or by a specific date, including a description of the characteristics and attributes (e.g., timelines) established as standards in the course of conducting the activity or effort.

Term	Definition
Target:	Is a standard to which a KPI must be achieved and should be reflected in terms of measures such as time, quality and quantity.
Panel and 180-Degree Assessment:	Refers to a top-down and bottom-up appraisal and feedback system where the performance of an incumbent is assessed by him/herself and his/her peer/s and/or manager/s.
Performance Agreement:	Explains what the employee's responsibilities are in terms of the performance management system.
Personal Development Plan:	A plan that is developed to show what training and development activities are required for each employee.
Rating:	The classification or ranking of something based on a comparative assessment of the quality and standard of performance.
Results/Outcomes Based Management	Is a management approach by which an organization ensures that its processes, products and services contribute to the achievement of clearly stated articulated results/outcomes in its strategy.
Weighting	An indicator of the relative importance of a metric with respect to the other metrics within the same objective.

SECTION A: ORGANIZATIONAL PERFORMANCE

1. INTRODUCTION

The 2001 Municipal Planning and Performance Management Regulations stipulates that a municipality's Performance Management System (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role- players.

In line with the said legal requirement this framework is a policy document that will set out the requirements that the Polokwane Municipality's PMS will need to fulfill, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work, the delegation of responsibilities for different roles in the process and a plan for the implementation of the system.

2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system.
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP).
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance.

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. The Municipality must lastly compile an annual report, which must include a performance report compiled in terms of the Systems Act. In terms of a circular issued by National Treasury provision is also made for the compilation on an annual basis of departmental SDBIPs.

3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS

Performance management can be applied to various levels within any organization. The legislative framework as set out above provides for performance management at various levels in a municipality including organizational (sometimes also referred to as municipal, corporate or strategic) level, departmental (also referred to as services, operational or section/team level) and lastly, individual level.

At organizational level the five-year IDP of a municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term focus, measuring whether a municipality is achieving its IDP objectives. A SDBIP (both for the municipality as a whole and that of a department) is more short-term in nature and the measures set in terms of the SDBIP, reviewing the progress made with implementing the current budget and achieving annual service delivery targets.

The measures set for the Municipality at organizational level is captured in an organizational scorecard structured in terms of the preferred performance management model of the Municipality.

By cascading performance measures from organizational to departmental level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the 2001 Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of Senior Managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget.

4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

As indicated in the previous chapter the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP.

In doing so, it should fulfill the following functions:

- ***Facilitate increased accountability***

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

- ***Facilitate learning and improvement***

The PMS should facilitate learning in order to enable the Municipality to improve delivery.

- ***Provide early warning signals***

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

- ***Facilitate decision-making***

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but sum arise the intended benefits of the system. These intended functions should be used to evaluate and review the performance management system on a regular basis (see chapter 9).

5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE MUNICIPALITY

The following principles guided the process of developing a performance management system for the Polokwane Municipality:

- *Simplicity* so as the facilitate implementation given any current capacity constraints,
- *Politically acceptable* to all political role players,
- *Administratively managed* in terms of its day-to-day implementation,
- *Implementable* within any current resource constraints,
- *Transparency and accountability* both in terms of developing and implementing the system,
- *Efficient and sustainable* in terms of the ongoing implementation and use of the system,
- *Public participation* in terms of granting citizens their constitutional rig to participate in the process,
- *Integration* of the PMS with the other management processes within the Municipality,
- *Objectivity* based on credible information and lastly,
- *Reliability* of the information provided on the progress in achieving the objectives as set out in its IDP.

6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE MUNICIPALITY

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are

employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organization.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Municipality has chosen the Key Performance model. In the said model all indicators are grouped together as per the National Key Performance Areas as per the Municipal Systems Act that is aligned to Polokwane IDP. The said Model therefore enables the Municipality to assess its performance based on the national and its own local key performance areas. With regards to the national key performance areas the Polokwane Municipality added two of their own namely environmental management and social development as they felt that these two areas were not adequately covered by the national key performance areas.

7. THE PROCESS OF MANAGING PERFORMANCE

The annual process of managing performance at organizational level in the Polokwane Municipality involves the steps as set out in the diagram below:



The following table spells out in more detail the role of all relevant role players in the above steps:

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
<i>Citizens and Communities</i>	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets 		Be given the opportunity to review municipal performance and suggest new indicators and targets
<i>Council</i>	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		Review municipal performance annually
<i>Mayoral Committee,</i>	<ul style="list-style-type: none"> • Play the leading role in giving 		Conduct the major reviews of municipal

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
<i>Portfolio Committee and the IDP Steering Committee</i>	strategic direction and developing strategies and policies for the organization <ul style="list-style-type: none"> • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
<i>Municipal Manager and Directors (Senior Managers)</i>	Assist the Executive Committee in <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the organization • Manage the development of the IDP • Ensure that the plan is 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization • Intervene in 	<ul style="list-style-type: none"> • Conduct regular reviews of performance • Ensure that performance reviews at the political level are organized • Ensure the availability of information • Propose response strategies to the Executive

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	integrated <ul style="list-style-type: none"> Identify and propose indicators and targets Communicate the plan to other stakeholders 	performance problems on a daily operational basis	Committee
<i>SBU Managers</i>	<ul style="list-style-type: none"> Develop service plans for integration with other sectors within the strategy of the organization 	<ul style="list-style-type: none"> Measure performance according to agreed indicators, analyze and report regularly Manage implementation and intervene where necessary Inform decision-makers of risks to service delivery timeously 	<ul style="list-style-type: none"> Conduct reviews of service performance against plan before other reviews

The balance of this chapter looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follow relates mainly to performance management at organizational level, the principles and approaches are also applied to performance management at departmental level.

Performance Planning

The performance of Polokwane Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

Performance Monitoring

Performance monitoring is an ongoing process by which the Senior Manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due

In the instance of Polokwane Municipality organisational performance is monitored on quarterly basis to the Mayoral Committee. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met. At least on a monthly basis Senior Managers and SBU Managers needs to track performance trends against targets for those indicators that lie within their area of accountability of their respective Departments as a means to early on identify performance related problems and take appropriate remedial action.

Further each SBU Manager must delegate to the direct line official the responsibility to monitor the performance for his/her sector. Such line officials are best placed given their understanding of their sector monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken.

Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Polokwane Municipality have automated performance monitoring of the organisational scorecard (SDBIP), SBU Managers are given specific access to the reporting system. The SBU Managers are responsible for reporting on each indicator and the senior managers for the respective directorates are accountable for the overall monitoring of their directorate performance.

The SBU Managers will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned on the organizational scorecard and relevant SDBIP scorecard and report the result to the automated performance reporting system.

Performance Analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

In practice the aforementioned entails that SBU Managers and Senior Managers are responsible for each indicator will have to, after capturing the performance data against targets on the organizational or departmental scorecards, analyze the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the scorecard. The SBU Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the relevant scorecard. Provision has been made on the reporting format of the organizational and SDBIP scorecards to capture both the 'reason for the performance challenges (in other words the results of the analysis undertaken) and the 'corrective action' proposed.

The organizational and SDBIP scorecards as completed must then be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant Managers. This level of analysis should examine performance across the organization in terms of all its priorities with the aim to reveal and capture whether any broader organizational factors are limiting the ability to meet any performance targets in addition those aspects already captured by the relevant SBU Manager.

The analysis of the organizational and SDBIP scorecards by senior management should also ensure that quality performance reports are submitted to the Mayoral Committee through the Portfolio Committee Governance and Administration; and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the scorecards, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review.

Performance Reporting and Review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in-year versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

In-year Performance Reporting and Review

The submission of the scorecards to the Mayoral Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of PMS and it marks the beginning of what should become a regular event namely using the performance report as a tool to review the Municipality's performance and to make important political and management decisions on how to improve.

The organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review on a quarterly basis. ***The reporting should therefore take place in October (or the period July to end of September - quarter 1 of the financial year), January (for the period October to the end of December - quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June - quarter 4).***

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process where the management of Polokwane Municipality, after the performance of the municipality have been measured and reported, reviews the results and decide on appropriate action. The Mayoral Committee in reviewing the municipal scorecards submitted to it will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior management and that the corrective action being proposed are sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed this must be adopted as formal resolutions of Council.

Annual Performance Reporting and Review

On an annual basis a comprehensive report on the performance of Polokwane Municipality needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report
- The annual report be tabled within seven months after end of the financial year
- The annual report immediately after it has been tabled and made public and that the local community be invited to submit representations thereon
- The municipal Council consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. It is however proposed that in an effort to assist the public in the process and subject to the availability of funding, a user-friendly citizens' report be produced in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Annually a public hearing (MPAC hearing on the annual report) that involve the citizens of Polokwane Municipality must be held. The hearing must review the municipal performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and road shows where the annual report could be discussed and input invited.
- Posting the annual report on the council website and inviting input

Lastly, the performance report of Polokwane Municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review process, the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later than two months after financial-year end.

Summary of Various Performance Reporting Requirements

The following table, derived from both the legislative framework for performance management and this PMS Policy, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to Polokwane Municipality:

Report	Frequency	Submitted for consideration and/or review to	Remarks
SDBIPs	Quarterly	Mayoral Committee	See MFMA Circular 13 of National Treasury for further information
Monthly budget statements	Monthly	Executive Mayor (in consultation with Mayoral Committee)	See sections 71 and 54 of the MFMA
Organizational Scorecard (Quarterly Institutional Performance Report)	Quarterly	Mayoral Committee	This PMS Policy (see section 7.5.1 above)
Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
Annual report	Annually	Council	See chapter 12 of the MFMA

8. THE AUDITING OF PERFORMANCE MEASURES

The role of Internal Audit In -terms of Performance Management

The MFMA requires that Polokwane Municipality must establish Internal Audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures

must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General of South Africa (AGSA).

The Municipal Planning and Performance Management Regulations of 2001 stipulates that Internal Audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

- (i) The *functionality* of the municipality's performance management system.
- (ii) Whether the municipality's performance management system *complies* with the Act.
- (iii) The extent to which the municipality's performance measurements are *reliable* in measuring the performance of municipalities by making indicators.

Each of the aforementioned aspects will now be looked at briefly.

- **Functionality**

To function could be defined as a proper or expected activity or duty or to perform or operate as expected (Chambers Handy Dictionary). This could also be applied to the operation of any system such a PMS. The internal Audit section must therefore on a regular basis audit whether the PMS of Polokwane Municipality is functioning as developed and described in this Policy.

- **Compliance**

To comply can be defined as to act in the way that someone else has commanded or wished (Chambers Handy Dictionary). In this respect it is clear that the legislature wishes to ensure that the Polokwane Municipality's PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the Municipality's Internal Audit Unit, at least on an annual basis, verifies that the Municipality's PMS complies with the said legal requirements.

- **Reliability**

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported

that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that Polokwane Municipality place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Polokwane Municipality's Internal Auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit and Performance Audit Committee (APAC).

Audit and Performance Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of Polokwane municipality. No Councilor may be a member of an audit and performance audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations gives municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit and performance audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require that the audit committee must:

- review the quarterly reports submitted to it by the internal audit unit.
- review the municipality's PMS and make recommendations in this regard to the Council of the Municipality.
- at least twice during a financial year submit an audit report to the municipal Council.

In order to fulfill their function a audit and performance audit committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to perform its duties or exercise its powers;

- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The council of Polokwane Municipality has an Audit and Performance Audit Committee, which performs the audit function of performance. The audit and performance audit committee has been established in terms of the MFMA and is in line with the provisions of the Local Government: Planning and Performance Regulations of 2001.

Performance Investigations

The Audit and Performance Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the Internal Audit unit may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be investigated, should be used. Clear terms of reference will need to be adopted by the Council for each such investigation.

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of Polokwane Municipality:

Annual Review of the Performance Management System

One of the functions of the audit and performance audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit and performance audit committee has met as required; the Internal Audit unit will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit and performance audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council for consideration.

The Municipal Systems Act requires the Municipality also annually evaluate its PMS. The review undertaken by the audit and performance audit committee and its recommendations could serve as input into this wider municipal review of the PMS and it is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report, taking into account the input provided by departments. The report will then be discussed by the Executive Management and finally submitted to the Council Committees for discussion and approval.

Integrating PMS with the Council's Existing Management Cycle

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS.

Institutional Arrangements

The implementation of the PMS in terms of this Policy would require co-ordination and it is recommended that at organizational level this be the task of the **Manager PMS responsible** for the PMS function in the municipality. This doesn't mean that it is the responsibility of the PMS Manager to measure, analyze and report on performance but only to ensure that this happens and that material collated and available for analyses and review as per this Policy on behalf of the Municipal Manager.

At an individual level (Senior Managers) the responsibility for co-ordination, administration and record keeping should be the responsibility of the Manager responsible for human resource management (PMS).

The Municipality also needs to ensure that its internal audit section is capacitated to deal with the additional responsibilities it has in terms of performance management over and above its traditional financial audit responsibilities.

10. STANDARD OPERATING PROCEDURE (SOP)

Policies and procedures describe the generalized view of a job without getting into the major specifics, and often remain the same within a department or across the municipality as a whole. These often govern who does what on the job. Standard operating procedures get down to specifics of how a task is to be accomplished. SOPs work to fulfill policy and procedures.

SOPs look more toward standardized ways to get work done, while policies and procedures allow more room for a worker to improvise. Because of this, policies and procedures create more likelihood of a standardized product or service, but SOPs insure that a product or service comes out the same way every time. In order for Polokwane Municipality to ensure that performance management is standard, a Performance Management Standard Operating Procedure must be developed and implemented across all the directorates. The SOP will be signed off by the accounting officer and will be reviewed on regularly basis and also when there a material changes in the performance management environment of the municipality.

11. TECHNICAL INDICATOR DESCRIPTION MANUAL

Polokwane Municipality must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/municipal scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection, calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and

must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

The table below reflects the format of the Technical Indicator Description Manual:

Indicator Number/SDB IP Number	Indicator Title	Short Definition	Purpose of the Indicator	Source/Collection of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate
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12. INFORMATION TECHNOLOGY TOOLS FOR PERFORMANCE MANAGEMENT (AUTOMATED PERFORMANCE MANAGEMENT SYSTEM)

Technology is being used in almost every organization to accomplish specific tasks. Technology has changed the way we work and it simplifies the way employees accomplish specific tasks at work. Every year new technology is integrated in different workplaces with a great aim of improving working processes, systems and procedures. Recently, there are noticeable developments in the performance management environment in the form of automation. Polokwane Municipality took advantage of the IT development in the PMS environment. The municipality has automated PMS in 2016 from manual. Performance monitoring, measuring and evaluation is now done using automation. Automation is able to capture performance information, store performance information, review performance information and generate performance reports. Currently, Polokwane Municipality is utilizing the ActionAssist Performance Management System supplied by the ActionIT (pty)ltd. The system description is provided and supplied by the service provider. The ActionAssist Performance Management System complies with the Polokwane Municipality's ICT Policies relating to ICT Systems.

13. CONCLUSION

In conclusion it must be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where the Municipality must continuously improve the way the system works to fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

SECTION B: INDIVIDUAL PERFORMANCE OF SENIOR MANAGERS

14. PREAMBLE

The implementation of an Organizational Performance Management System necessitates the inclusion of an Employee Performance Management System, so as to ensure that strategic goals (ultimate outcomes) and strategic objectives (intermediate outcomes) of the organization are interpreted and delivered by employees.

The Organizational and Individual Performance Management Policy is applicable to all senior management employees of Polokwane Municipality. The legislative environment requires the filtering down of the Performance Management System to employee levels lower than the Municipal Manager and Managers directly accountable to the Municipal Manager.

The Organizational and Individual Performance Management Policy integrates various legislative and also unique Municipal Management requirements, inclusive of:

- ❖ Labour Relations Act, No 66 of 1995.
- ❖ The Constitution, Act No 108 of 1996.
- ❖ White Paper on New Employment Policy in the Public Sector, 1997.
- ❖ Local Government: Municipal Structures Act No 117 of 1998.
- ❖ Local Government: Municipal Systems Act 32 of 2000; Local Government: Municipal Systems Amendment Act 2003 and Local Government Municipal Systems Amendment Bill, 2010.
- ❖ Municipal Planning and Performance Management Regulations and Guidelines, Notice 7146 of 2001.
- ❖ Local Government: Municipal Finance Management Act No 53 of 2003 and MFMA Regulation 493 of 2007.

- ❖ Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- ❖ Government Wide Monitoring and Evaluation Framework.
- ❖ 12 Outcomes of Government with specific emphasis on Outcome 8 and 9.
- ❖ Performance and Delivery Agreements.

15. PURPOSE OF SENIOR MANAGEMENT PMS POLICY

The Municipal Systems Act, 32 of 2000 and the Performance Management Regulations of 2001 and 2006 stipulate that Municipalities should develop Performance Management Systems to confirm the intention, implementation, monitoring and review of its Integrated Development Plan's priorities. Alignment between organizational and employee performance management is imperative to ensure the above.

- The purpose of the City of Polokwane Organizational and Employee Performance Management Policy is to regulate the effective implementation of the performance management requirements for employees of the Municipality based on legislative requirements.
- It provides for a mechanism by which management shall give direction regarding the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes).
- It is derived from the Performance Management Framework (2011) of the City of Polokwane – aimed at incorporating organizational and employee performance management. The Policy thus outlines how Polokwane Municipality responds to the requirement of Chapter 6 of the Municipal Systems Act.

16. THE EXPECTED OUTCOME OF THE POLICY

The expected outcome of the application of the Organizational and Employee Performance Management Policy is that:

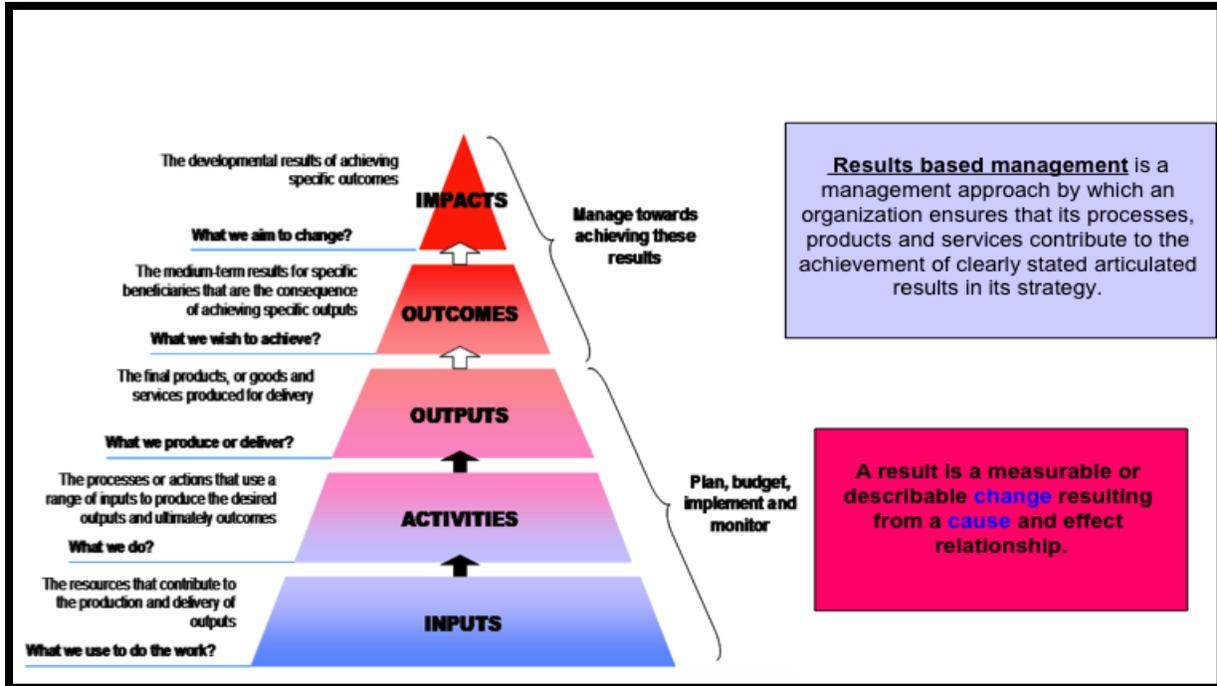
- ✓ The Integrated Development Plan (IDP) will be interpreted in the Organizational, Departmental and Strategic Business Unit Scorecards;
- ✓ Employees of the Municipality will collectively execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and Organizational, Departmental and Strategic Business Unit Scorecards resulting in the development of Individual Performance Plans/Scorecards annually as interpreted in the Service Delivery Budget Implementation Plan (SDBIP) and Lower Service Delivery Budget Implementation Plan (LSDBIP); and
- ✓ Employees will gain an understanding of how they can contribute towards the attainment of the vision, mission, priorities, strategic goals (ultimate outcomes) and objectives (intermediate outcomes), key performance areas and key performance indicators of the Municipality.

With the above in mind the Policy focuses on describing in broad terms:

- ✓ How employee performance management activities should be planned
- ✓ How cascading to Senior Managers levels will promote accountability and improved individual employee performance
- ✓ How to collect process and report on performance information.
- ✓ How employees must be actively involved in the management of their own performance in an accountable manner
- ✓ How incentives and rewards should be structured
- ✓ How to take practical steps to improve on performance on the basis of information obtained

City of Polokwane has adopted Results/Outcomes Based Management as their planning methodology aligned to Government Wide Monitoring and Evaluation Framework. The methodology utilizes the logic model to articulate the results to be achieved. The model promotes cascading of performance at all levels. See Figure 1 below:

Figure 1: The Logic Model



17. SCOPE OF APPLICATION

This policy is applicable to senior management employees of Polokwane Municipality. More specifically, this policy shall be applicable to following categories of employees:

- ✓ Employees referred to in the Municipal Systems Act as Section 57 Employees i.e. the Municipal Manager and the managers reporting directly to the Municipal Manager;

18. OBLIGATIONS OF THE EMPLOYER

The employer shall:

- ✓ Create an enabling environment to facilitate effective performance by the employee.
- ✓ Provide access to skills development and capacity building opportunities.
- ✓ Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the employee.

- ✓ On the request of the employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement.

19. DEFINITION OF EMPLOYEE PERFORMANCE MANAGEMENT

Individual Performance Management may be defined as the process of creating a work environment in which employees are enabled to perform to the best of their abilities, so as to ensure the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes). It is a continuous process of clarifying job responsibilities, priorities and performance expectations to ensure optimum performance. It is one of the key processes that, when effectively carried out, helps employees understand their contribution towards organizational performance achievements.

Employee performance management therefore culminates in a methodology of cascading and integration between organizational, departmental, business unit and employee performance. It includes clarifying expectations, setting outputs and targets, providing feedback and evaluating results. Individual performance management involves a planned process that provides the opportunity for both the manager/supervisor and employee to identify, focus on and review the intended contributions towards the achievement of the mission and strategic goals (ultimate outcomes) of the organization. It establishes a shared understanding about what is to be achieved and how it is to be achieved. It is an approach to manage people to increase the probability of achieving success.

20. OBJECTIVES OF THE ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the Municipality. To achieve this objective an Organizational and Individual Performance Management System is implemented to provide administrative simplicity, maintain mutual respect

between managers and employees, and add value to day-to-day communication about performance and development issues.

More specifically, the Organizational and Individual Performance Management System focuses on:

- ✓ Ensuring compliance with legislative requirements in terms of performance management.
- ✓ Translating Municipal strategies into individual performance priorities.
- ✓ Aid in the assessment of employee performance against objectives whilst considering the utilization of resources.
- ✓ Allowing employees to become more actively involved in achieving organizational goals (ultimate outcomes) and be accountable for their own performance by instilling a performance-oriented culture.
- ✓ Drive organizational values, culture and desired leadership behavior through rewarding these elements.
- ✓ Promote a clear work ethic, customer orientation and a culture of professionalism, accountability and delivery.
- ✓ Build human capital at strategic and operational levels throughout the City of Polokwane in line with the mission of the Municipality.

21. KEY ROLE-PLAYERS IN SENIOR MANAGERS PERFORMANCE

Various political and administrative structures impact on individual performance. A brief description of the roles of these structures is provided below.

Table 1: Key Role-Players in the Employee Performance Management Process

Role Player	Role
Executive Mayor	The Executive Mayor may assign the management of performance (organizational and employee) to the Municipal Manager. The Mayor is responsible for dispute resolution regarding performance management matters

Role Player	Role
	(nature of performance agreement and performance evaluation) of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Municipal Manager	<p>It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals.</p> <p>In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.</p>
Directors/Senior Managers	<ul style="list-style-type: none"> ✓ Taking responsibility for the standard of his/her own performance by improving output quality ✓ Developing and implementing action plans so that set objectives can be achieved ✓ Asking their manager for information, help or advice to assist them in meeting set targets ✓ Making suggestions on how they can improve their performance
Human Resources	The Human Resource Department is responsible for providing secretariat services during the individual performance assessments of senior managers.
Strategic Planning, Monitoring & Evaluation	<p>The Strategic Planning, Monitoring & Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System of senior managers.</p> <p>Strategic Planning, Monitoring & Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit.</p>
Assessment/Evaluation	Assessment/Evaluation panels are involved in the assessment of employees' performance. Section 27(4)(d) of Regulation 805 provides details on the

Role Player	Role
Panel and Moderator	Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Internal Audit	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members must sit in the assessments as an observing member to validate the information included in employee Portfolio of Evidence (PoE).</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Performance Audit and Remuneration Committee.</p>
Audit and Performance Audit Committee	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
Municipal Public Accounts Committee (MPAC)	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

Table 2: Individual Performance Management Phases

Phases	Explanation
Planning/Review:	It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.

Phases	Explanation
	<p>Employee Performance Plans inclusive of the Performance Scorecard should relate back to Municipal goals (Ultimate Outcomes) and objectives (Intermediate Outcomes). These planning documents should be used to design the Performance Plan (Performance Scorecard) of Municipal employees. For each individual employee their individual Performance Plans are informed by the priorities and targets set for their managers and their own tasks and accountabilities. This process allows for cascading strategies down to the level of each individual Employee Performance Plan.</p>
<p>Monitoring and Assessment:</p>	<p>This phase relates to the assessment of performance and periodic review of progress to achieve set targets. Employee performance monitoring encompasses a continuous review of the levels and standards of activities performed by an employee.</p> <p>The process of assessment is used to measure performance via data through scoring to determine if targets were met. Performance is therefore assessed against the achievement or non-achievement of targets. Assessment of performance requires employees and managers to look at inputs (resources, financial perspective), activities/processes (functions, service standards perspective), outputs (results, service delivery perspective) and outcomes (impact, customer satisfaction, and growth, quality of life) to determine the impact that an employee made towards the achievement of Municipal service delivery.</p> <p>During the assessment process an overall rating is calculated by using the applicable assessment-rating calculator. The rating is used to determine future actions, i.e. under-performance may result in additional coaching/training or disciplinary action, whilst exemplary performance may result in incentives as a reward for excellence.</p>
<p>Reporting and Coaching:</p>	<p>Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be</p>

Phases	Explanation
	<p>put in place to ensure improvement of performance – where necessary.</p> <p>Coaching/mentoring can be used to change behavior or actions so as to ensure that targets are achieved against set standards. Coaching may be conducted to help an employee to meet or exceed the standards of expected performance. Coaching is a crucial part of the continuous tracking and improving of performance, and provides guidance, feedback and reinforcement of the key results and competencies expected of an employee.</p>
<p>Evaluation and Reward:</p>	<p>Evaluation of the employee performance management process is essential to ensure the validity and reliability of the performance management process. In other words, the purpose of evaluation is to critically evaluate past actions, build on areas of value, eliminate non value adding processes, and use the information gained to make informed decisions to realign employee and organizational goals and objectives. Without continuous evaluation there can be no improvement and development.</p> <p>Annual performance evaluations also involve the provision of rewards in cases where performance exceeded expectations.</p>

22. PLANNING AND REVIEW

The planning phase is the first in the performance management cycle and occurs in June of each year. This is a consultative process during which an employee and his/her manager jointly draft the performance agreement/plan based on the goals (ultimate outcomes) and objectives (intermediate outcomes) set out in the IDP and SDBIP of the Municipality.

The process of planning relates to the establishment of performance contracts, performance agreements and performance plans to be used to measure the performance of individual

employees. These documents should be linked to the Organizational, Departmental and Business Units Scorecards, IDP, SDBIP and LSDBIP of the Municipality based on the employee level.

23. PERFORMANCE CONTRACTS

Regulation 805 of 2006 states that the Performance Contract of the Municipal Manager and Managers directly accountable to the Municipal Manager is fixed for a specific term of employment not exceeding a period ending two years after the election of the next Council of the Municipality. The Contract must provide for a commencement date as well as a termination date. The Contract should make provision for the cancellation of the contract in case of non-performance compliance or due to medical incapacity.

All contracts are subject to the terms of conditions stipulated in Section 55 of the Municipal Systems Act (2000) as well as all related stipulations within the Municipal Finance Management Act (MFMA) (2003). In addition to the above, employment in terms of the Employment Contract is subject to:

- ✓ The signing of a separate Performance Agreement within sixty (60) calendar days after assumption of duty and annually within one month after the commencement of the new financial year.
- ✓ The submission of original or certified copies of academic and professional qualifications and proof of previous employment.
- ✓ The signing of the code of conduct as stipulated in Schedule 2 of the Municipal Systems Act.
- ✓ The disclosure of all financial interest on the date of assumption of duty and annually within one month after commencement of the financial year (June).

24. PERFORMANCE AGREEMENTS

Applicable to the Municipal Manager and Managers directly accountable to the Municipal Manager, Chapter 3 of Regulation 805 provides specific detail on the Performance Agreements for Municipal Managers and Managers directly accountable to Municipal Managers. In addition, the Municipal Systems Act (MSA), Section 57 (1)(b) and (2)(a) states that Performance

Agreements of the applicable managers are concluded annually and within one month after the beginning of the new financial year.

According to Sections 23(2) and 25(1) (2) of Regulation 805, the Performance Agreement must include performance objectives and targets appropriate to their respective area of responsibility and aligned to the SDBIP. Performance Agreements are to be used as the basis for assessing whether the employee has met the performance expectations applicable to his/her job. The Performance Agreement should therefore include detail on monitoring and measurement requirements against set targeted outputs. Performance assessments should specify objectives and targets defined and agreed upon, and be used as the basis for assessing whether the Municipal Manager or Manager directly accountable to the Municipal Manager has met the performance expectation applicable to his/her job. Annexure to the Performance Agreement should include a Performance Plan as well as a Personal Development Plan.

The contents of the Performance Agreement of the Municipal Manager and Managers directly accountable to the Municipal Manager must be made available to the public in accordance with Section 75 of the MFMA and Section 57 of the MSA. The respective Employment Contract and the Performance Agreement must be submitted by the Municipal Manager to the MEC (Section 4(c) of Regulation 805) responsible for Local Government in the relevant Province as well as the National Minister responsible for Local Government within fourteen (14) days after concluding the Employment Contract and the Performance Agreement.

Every senior manager should know what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures. In order to measure performance, it is important that baselines be allocated to KPAs and KPIs in the scorecard. Baselines are previous measurements of achievements against KPAs or KPIs and provide an opportunity to track whether employee performance has improved over time.

Measurement of performance also requires the setting of targets that indicate the standard which each KPI must comply with. The target date stipulates the time frame in which the KPI must be achieved. Targets may be derived from baselines and should be informed by long-term and annual business plans. The various performance targets and standards agreed upon should be made clear.

During the year evidence must be collected as proof of individual performance. Such evidence should be collected and presented in the form of a Portfolio of Evidence (PoE). This PoE is required to ensure fair review of employee performance and eliminate allegations of management bias. Evidence to be submitted is agreed upon at the same time that the KPAs, KPIs and targets are set.

The Municipal Manager and Managers directly accountable to the Municipal Manager, evidence should be confirmed by internal audit. In terms of other employees, a set of standards must be compiled, that submitted evidence should comply with.

Such standards may include that evidence:

- ✓ Unambiguously reflects the achievement/non-achievement of a KPI
- ✓ Clearly reflects the facts
- ✓ Be concise and to the point

In terms of the CCRs, it should make up 20% of the total score in the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, or 30%/40% of other employee scores. CCRs that are deemed to be most critical for the employee’s specific job should be selected and agreed upon between the employee and his/her manager. Selected CCRs must be chosen with due regard to the proficiency level of each employee including whether the employee is living the values of the Municipality.

Below is a table indicating the Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager. The weightings allocated to each competency will be specified in the individual’s Performance Agreement. The table below indicates the three competencies considered to be compulsory for the Municipal Manager.

Table 4: Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager

Core competency requirements for Municipal Manager and Managers Directly Accountable to the Municipal Manager		
Core Managerial and Occupational Competencies:	Indicate Choice	Weight

Core Managerial Competencies:		
Strategic Capabilities and Leadership		
Programme and Project Management		
Financial Management	Compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	
Client Orientation and Customer Focus	Compulsory	
Communication		
Living the Values of the Municipality		
Core Occupational Competencies:		
Competence in Self -Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field/ discipline		
Skills in mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total		100%

According to the SALGA Performance Management Policy and Procedure, three competencies are of particular importance and should be included in the Performance Plan of every employee. These are:

- ✓ Client Orientation and Customer Focus

25. People Management and Empowerment Financial Management **PERSONAL DEVELOPMENT PLANS**

Regulation 805 of 2006 clearly indicates that a Personal Development Plan must be developed for the Municipal Manager and Managers directly accountable to the Municipal Manager and must serve as an Annexure to the annual Performance Agreement. In line with this requirement and to ensure alignment within the Employee Performance Management System, a Personal

Development Plan must also be developed for each employee in the employment of the Municipality and be attached to the Performance Plan of each employee.

The Skills Development Act, No 97 of 1998 requires of each employer to submit the Annual Workplace Skills plan (WSP). This necessitates the development of employee personal development plans to identify and address developmental gaps. The identification of outcome-based competencies that must be implemented to complement IDP implementation should guide the individuals to determine specific training or skills needed for effective project implementation. These skills should be catered for via formal and informal training, coaching and mentoring. Identified training and development areas must comply with skills identified in the skills audit conducted, and aligned to the areas of training and development required by each individual employee. Personal Development Plans are to be submitted for incorporation into the Skills Development Plan of the Municipality to be submitted to the Department of Labour.

Individual learning plans will systematize the Municipality's approach to training and development by ensuring that all employees' training is carefully planned. In addition to the above, Personal Development Plans should be used to:

- ✓ Provide a structure for assessing the skill needs of employees against organizational Priorities
- ✓ Assist managers and employees at all Municipal levels to identify competencies needed for current positions
- ✓ Help employees to plan and achieve their career goals
- ✓ Increase motivation of employees and their commitment to the organization

An example of a Personal Development Plan is provided.

Table 5: Personal Development Plan

Personal Development Plan								
Employee Name:			Employee Number:					
Job Title:			Directorate/Department:					
Manager:			Date (Financial Year):					
Skills Gap	Skills Outcome Expected	Suggested Development/ Training Activities	Mode of Delivery	Suggested Time Frames	Opportunity for Application	Feedback on Outcomes achieved and Date	End of Period Sign off of Review and Assessment	Further Development activities required
Employee Signature:				Manager Signature:			Date:	
To Personal File:				To HR:				

Personal Development Plans must be completed at the commencement of the new financial year and submitted for sign off with the Performance Agreement/Performance Plans. All Development Plans will be formulated and finalized with the guidance and assistance of the Human Resource Department to ensure that all training and development activities are aligned and supportive of the Workplace Skills Plan.

26. MID-YEAR REVIEW

The adjustment process focuses specifically on the review of the Annual Budget and SDBIP. The adjustment takes place after the mid-year review and approval of adjustments by Council. Once adjusted, the Performance Plans of the Municipal Manager, Managers accountable to the Municipal Manager should be reviewed and adapted according to the KPA and KPI changes made to the SDBIP and budget. This adjustment is required to ensure that employee Performance Plans remain aligned with the objectives and targets set for the Municipality.

Any amendments must be reflected on the amended Performance Plan. Senior Managers will be assessed during the third and fourth quarter on the amended Plan. Records of the amended scorecards must be signed off.

27. PERFORMANCE MONITORING AND ASSESSMENT

Monitoring is the key to any successful Performance Management System because it provides information that can be compared to initial targets so as to determine the current performance state. Monitoring on a regular basis helps to ensure that the goals and targets set in the planning phase are pursued. Monitoring takes place throughout the year and implies consistently measuring performance and providing on-going feedback to employees on their progress toward reaching their targets. This implies that data on performance outputs is to be gathered and assessed to determine current performance and areas of excellence/improvement required.

28. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT

The purpose of data management within the monitoring phase is to manage and supply data to be used during the assessment process of an employee's performance. Relevant data must be stored in such a way that it is secure but also easily retrievable. When collecting data, the following should be taken into consideration:

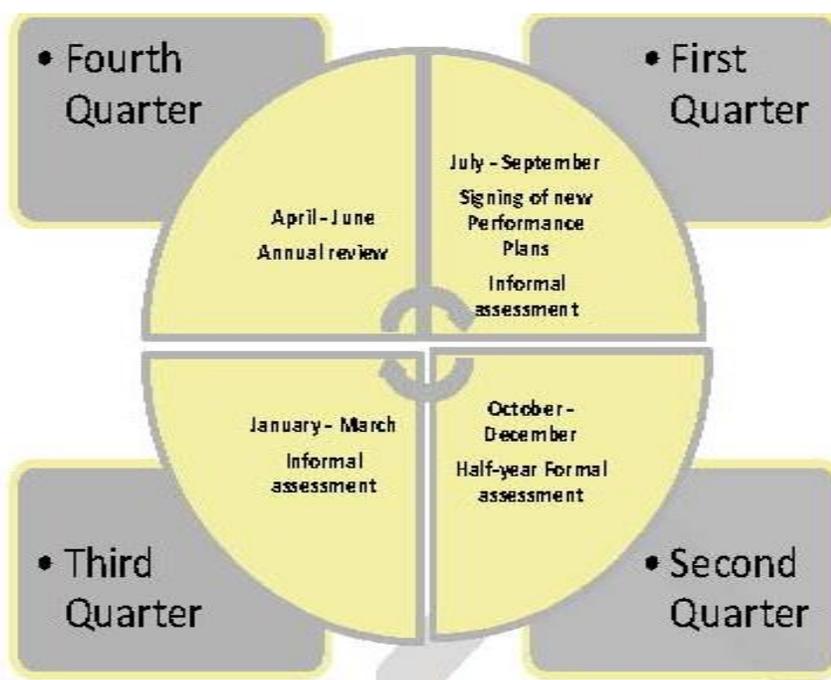
- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create feedback tables/graphs where necessary or applicable.

Data stored for future retrieval and use should include financial data, project data, process data and human resource data. All data should ultimately be presented in an integrated form to provide proof of employee individual performance. A Portfolio of Evidence (PoE) per individual employee should be compiled, based on available data to indicate the performance of that employee against set indicators or measurable activities. PoE's should be validated to ensure its accuracy. The PoE's of the Municipal Manager and Managers directly accountable to the Municipal Manager should be validated by Internal Audit.

29. SCHEDULE PERFORMANCE ASSESSMENTS

According to Section 28 of Regulation 805 the performance of employees must be reviewed during specific periods, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory. The performance assessments conducted during the second and fourth quarters should be formal. The following diagram provides a summary of performance schedules within the City of Polokwane:

Figure 2: Performance Schedules



The second quarter formal assessment will be conducted to assess the relevance of the objectives as well as the employee's performance against the objectives and KPAs. The second-quarter performance score shall be used accumulatively to determine the link to financial and non-financial rewards at the end of the financial year. A formal final review shall be conducted after the end of the financial year. The performance scores of both formal assessments will be used to determine the link to rewards.

Assessments in the first and third quarter may be verbal if the performance is satisfactory. Records must be kept of the mid-year and annual assessment meetings. Such records may be used:

- ✓ To refer to agreed action plans
- ✓ In the management of poor performance process
- ✓ For easy reference in respect to changes/amendments to Performance Plans

30. PERFORMANCE ASSESSMENTS

Assessment is the measurement of data through a scoring process to determine if targets were met. Performance is assessed against the achievement or non-achievement of targets. Assessment involves assessing whether targets and standards have been met. Performance assessment must give a true reflection of the achievement of results as outlined in the Performance Plan.

Based on the contracted standards of performance and relative weightings, performance assessment entails:

- ✓ A description of the contracted standards and an agreement on actual results achieved
- ✓ Rating of performance and allocation of values, e.g. points
- ✓ Agreement on the weighted scores achieved
- ✓ Acceptance of assessment and signature
- ✓ Agreement on appropriate reward recognition or the remedial process required to achieve targets

Performance assessment is done against the KPAs and CCRs in terms of the extent to which the employee displays the desired results as indicated in his/her Performance Plan. At the assessment KPAs and CCRS are rated by means of 5-point rating scale, encompassing the following:

Table 6: Rating Indications

Rating	Description	% Score
1	Unacceptable performance where performance does not meet the standard expected for the job	%
2	Performance not fully effective and below standard as required for key areas of the job	67 – 99%

3	Fully effective performance where performance meets the standards expected in all areas of the job	100 – 132 %
4	Performance significantly above expectation and higher than the standard expected in the job	133 – 166%
5	Outstanding performance where performance far exceeds the standard expected of an employee at that specific level	167%

For the purposes of assessing the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager an assessment process is to be implemented. An Assessment/Evaluation Panel consisting of the following people should assess the performance of the Municipal Manager:

- ✓ Executive Mayor
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Mayor and/or Municipal Manager from another Municipality
- ✓ Ward Committee Member

For the purposes of assessing the performance of the Managers directly accountable to the Municipal Manager, an Assessment/Evaluation Panel consisting of the following people must be established:

- ✓ Municipal Manager
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Municipal Manager from another Municipality

In terms of Regulation 805 of 2006 these Assessment/Evaluation Panels will evaluate the annual performance of the Municipal Manager and Managers directly accountable to the Municipal Manager and determine the annual performance bonus or remedial action required. The performance bonus percentage will be calculated on a sliding scale described under the Reward and Incentives Section of this Policy.

31. REPORTING AND COACHING

Reports on individual performance assessments are to be compiled and submitted to the Municipal Manager, Executive Mayor, Audit and Performance Audit Committee and Council.

- **Reporting**

Once the assessment process is concluded a report on the findings for each employee is to be compiled. Reports should be compiled on the performance assessments, scores allocated and final ratings. This is required so as to ensure that the Municipality keeps record of all performance assessments. This information is to be used:

- ✓ To manage poor performance
- ✓ As an easy reference in terms of any suggested changes for follow-up performance assessments

32. MANAGE POOR PERFORMANCE

If it was found during the assessment that the performance was unacceptable and that targets agreed on in the performance agreement were not met, the employer should provide systematic remedial or developmental support to assist the employee to improve his/her performance. Managing poor performance should be a continuous process starting with the Performance Plan and following through to the performance reviews.

With regard to the management of unacceptable performance of the Municipal Manager and Managers directly accountable to the Municipal Manager Regulation 805 states that the employer shall:

- ✓ Provide systematic remedial or developmental support to assist the individual to improve his or her performance
- ✓ If performance does not improve after appropriate performance counseling, the necessary guidance and support and reasonable time has been allowed for improvement, the

Employer may consider steps to terminate the contract of employment of the individual on grounds of incapacity to carry out his/her duties.

33. EVALUATION AND REWARD

In terms of a performance bonus, Section 32 of Regulation 805 states that a performance bonus for the Municipal Manager and Managers directly accountable to the Municipal Manager ranges from 5% to 14% of the all-inclusive remuneration package to be paid in recognition of outstanding performance.

The percentage of bonus to be paid out should be determined on the overall rating, calculated by using the assessment-rating calculator. The sliding scale to determine such performance bonuses is given below:

Table 7: Assessment Bonus Sliding Scale

% Rating Over	% Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

The objectives of an incentive scheme are to:

- ✓ Introduce an objective and fair Organizational and Individual Performance Management System that would be useful to ensure that the Municipality's services are results-oriented
- ✓ Instill and sustain a performance culture and to encourage employees to live the values of the Municipality
- ✓ Promote and establish a work contract between employee and manager
- ✓ Remedy poor performance and reward good performance

34. APPEALS AND DISPUTES

Should a senior manager not agree with the contents of their performance agreement after the Performance Planning discussion or with the final scores being allocated to them after the assessment sessions, they may elect to follow the approved Municipality's grievance procedure.

Any dispute about the outcome of the employee's performance assessment must be mediated by:

- ✓ In the case of the Municipal Manager, the MEC for Local Government in the Province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- ✓ In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the Assessment/Evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

35. EXIT/TERMINATION/CANCELLATION CLAUSE

Relating specifically to the Municipal Manager and Managers directly accountable to the Municipal Manager, there are many reasons which may give rise to termination/cancellation of employment contracts.

The employment contract may be terminated:

- ✓ Automatically on expiry of the term referred to in the contract, subject to any extension or renewal
- ✓ At the employee's initiative if the employee gives the employer thirty (30) days' notice of termination in writing
- ✓ At the employer's initiative if the employer terminates the employee's appointment for reasons relating to misconduct, serious persistent breach of provisions of his/her contract, incapacity, being absent from employment without approval for a period exceeding thirty (30) days, unacceptable performance of the operational requirements of the Municipality or for any other reason recognized by law as sufficient, one calendar months' notice of termination in writing.

The termination/cancellation of contracts of employment may be classified under two categories:

- ✓ Blameworthiness of the contracted employee – In this case the incumbent shall forfeit the balance of his/her term of office as a penalty
- ✓ Non-blameworthiness of the contracted employee – In this case the incumbent shall have his/her contracted term fully paid out as a separation package

In both instances the above clause must be incorporated into the original employee contract of an incumbent.

36. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE

The Performance Audit and Remuneration Committee fulfill an oversight role in terms of employee performance management within the Municipality. The establishment of such a body is required in terms of Section 45 of the MSA whereby the Municipality is required to implement mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. In the City of Polokwane this function is fulfilled by the Audit Committee (See Performance Management Framework, Section B).

The results of the formal year-end review are to be audited to ensure that all evidence is authorized and relevant, and to make recommendations on the improvement of the system. The audit is conducted internally by the Performance Audit and Remuneration Committee.

37. PRINCIPLES OF GOOD ASSESSMENT

The following principles should apply to ensure successful assessment:

- ✓ Create a supportive environment by stating clearly the purpose of the discussion
- ✓ Discuss key areas of responsibility and give examples of specific results – allow the employee first input, based on the self-appraisal
- ✓ Discuss what could have been done better; identify concerns and listen to the employee's explanations
- ✓ Ask the employee for help in resolving problems; focus on future performance and be sure the employee takes responsibility for improvement
- ✓ Make sure that the employee has an understanding of future expectations regarding performance
- ✓ Give positive recognition for performance that reinforces the strategic goals (ultimate outcomes) and objectives (intermediate outcomes) of the Municipality
- ✓ Discuss the employee's interests and potential new responsibilities and roles in achieving new objectives while maintaining on-going responsibilities
- ✓ Conclude on a positive note, emphasizing the benefits of the dialogue

38. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2026 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.